BILL NO. R-81-11-24 (amended)

RESOLUTION NO. R-03-82

A RESOLUTION FINDING, DETERMINING
AND RATIFYING AN INDUCEMENT RESOLUTION
OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
AUTHORIZING THE ISSUANCE AND SALE OF
$600,000.00 ECONOMIC REVENUE BONDS OF THE
CITY OF FORT WAYNE, INDIANA,
FOR THE PURPOSE OF INDUCING THE APPLICANT,
RYDER TRUCK LINES, INC.
TO PROCEED WITH THE ACQUISITION
CONSTRUCTION AND EQUIPPING OF THE PROJECT.

WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is authorized by I.C. §36-7-12 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities, and said facilities to be either sold or leased to another person or directly owned by another person; and

WHEREAS, Ryder Truck Lines, Inc. (the "Applicant") has advised the Fort Wayne Economic Development Commission and the Issuer that it proposes that the Issuer lease or sell the same to the Applicant or loan proceeds of an economic development financing to the Applicant for the same, said economic development facility is an existing motor freight terminal consisting of a dock and a one-story attached office building, located on a 5.8 acre site and including a 10,000 gallon diesel fuel tank, located in Adams Township, Allen County, Indiana, outside the city limits of Fort Wayne, (the "Project"); and

WHEREAS, the diversification of industry and an increase in approximately 5 job opportunities immediately and 15 to 20 job opportunities within three years, to be achieved by the acquisition, construction and equipping of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, having received the advice of the Fort Wayne Economic Development Commission, it would appear that the

financing of the Project would be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, the acquisition and construction of the facility will not have an adverse effect on any similar facility already constructed or operating in or about Fort Wayne, Indiana.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. The Common Council finds, determines, ratifies and confirms the promotion of diversification of economic development and job opportunities in and near Fort Wayne, Indiana and in Allen County, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer; and that it is in the public interest that Fort Wayne Economic Development Commission and said Issuer take such action as it lawfully may to encourage diversification of industry and promotion of job opportunities in and near said Issuer.

SECTION 2. The Common Council further finds, determines, ratifies and confirms that the issuance and sale of revenue bonds in an amount not to exceed $600,000 of the Issuer under the Act for the acquisition, construction and equipping of the Project and the sale or leasing of such a financing to the Applicant for such purposes will serve the public purpose referred to above, in accordance with the Act.

SECTION 3. In order to induce the Applicant to proceed with the acquisition, construction and equipping of the Project, the Common Council hereby finds, determines, ratifies and confirms that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing, or as it may deem appropriate in pursuance thereof, provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant; and

(ii) it will adopt such ordinances and resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development bonds.

SECTION 4. All costs of the Project incurred after the passage of this Inducement Resolution, including reimbursement or repayment of the Applicant of monies expended by the Applicant for planning, engineering, interest paid during construction, underwriting expenses, attorney and bond counsel fees, acquisition, construction and equipping of the Project will be permitted to be included as part of the bond issue to finance said Project, and the Issuer will thereafter either sell or lease the same to the Applicant or loan the proceeds of such financing to the Applicant for the same purposes.

Vivian G. Schmidt
COUNCILMAN

APPROVED AS TO FORM AND
LEGALITY.

John J. Wernet, Attorney for the
Economic Development Commission
Dated this 22 day of December, 1981.

Read the first time in full and on motion by ____, seconded by __________________________________, and duly adopted, read the second time by title and referred to the Committee ____ (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on __________________________________, the ____ day of ____, 19___, at _______________________ o'clock ___.M., E.S.T.

DATE: _______________________________________

____
CHARLES W. WESTERMAN - CITY CLERK

Read the third time in full and on motion by Gia Quinta, seconded by Eisbart, and duly adopted, placed on its passage. PASSED ~~(LOST)~~ by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT	TO-WIT:
TOTAL VOTES	9	0			
BRADBURY	X				
BURNS	X				
EISBART	X				
GiaQUINTA	X				
NUCKOLS	X				
SCHMIDT	X				
SCHOMBURG	X				
STIER	X				
TALARICO	X				

DATE: 1-12-82

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as ~~(ZONING MAP)~~ ~~(GENERAL)~~ ~~(ANNEXATION)~~ ~~(SPECIAL)~~ ~~(APPROPRIATION)~~ ~~ORDINANCE~~ (RESOLUTION) NO. R-03-82 on the 12th day of January, 1982.

ATTEST: (SEAL)

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Samuel J. Talarico
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 13th day of January, 1982, at the hour of 11:30 o'clock A.M., E.S.T.

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this 14th day of January, 1982, at the hour of 3 o'clock P.M., E.S.T.

Win Moses, Jr.
WIN MOSES, JR. - MAYOR

Read the first time in full and on motion by Stier, seconded by Eisbart, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on ______, the ______ day of ______, 19____, at ______ o'clock ____ M.,E.S.T.

DATE: 12-22-81

Charles W. Westerman
CHARLES W. WESTERMAN
CITY CLERK

Read the third time in full and on motion by ______, seconded by ______, and duly adopted, placed on its passage. PASSED (LOST) by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT	TO-WIT:
TOTAL VOTES					
BURNS					
EISBART					
GiaQUINTA					
NUCKOLS					
SCHMIDT, D.					
SCHMIDT, V.					
SCHOMBURG					
STIER					
TALARICO					

DATE: ______

CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL) (APPROPRIATION) ORDINANCE (RESOLUTION) No. ______ on the ______ day of ______, 19____.

ATTEST: (SEAL)

CHARLES W. WESTERMAN - CITY CLERK

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the ______ day of ______, 19____, at the hour of ______ o'clock ____ M.,E.S.T.

CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this ______ day of ______ 19____, at the hour of ______ o'clock ____ M.,E.S.T.

WINFIELD C. MOSES, JR.
MAYOR

BILL NO. R-81-12-34 (as amended)

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON Finance TO WHOM WAS REFERRED AN ORDINANCE A RESOLUTION FINDING, DETERMINING AND RATIFYING AN INDUCEMENT RESOLUTION OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION AUTHORIZING THE ISSUANCE AND SALE OF $600,000.00 ECONOMIC REVENUE BONDS OF THE CITY OF FORT WAYNE, INDIANA, FOR THE PURPOSE OF INDUCING THE APPLICANT, RYDER TRUCK LINES, INC. TO PROCEED WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE Do PASS.

VIVIAN G. SCHMIDT, CHAIRMAN	
JAMES S. STIER, VICE CHAIRMAN	James Stier
MARK E. GiaQUINTA	Mark E. GiaQuinta
PAUL M. BURNS	Paul M. Burns
ROY J. SCHOMBURG	Roy J. Schomburg

1-12-82

CONCURRED IN

DATE ____ CHARLES W. ... CITY CLERK

Admn. Appr.

DIGEST SHEET

Q-81-12-34

TITLE OF ORDINANCE Inducement Resolution for an issue of $600,000.00

DEPARTMENT REQUESTING ORDINANCE Economic Development Commission

SYNOPSIS OF ORDINANCE An existing motor freight terminal consisting of a dock and a one-story attached office building, located on a 5.8 acre site and including a 10,000 gallon diesel fuel tank, located in Adams Township, Allen County, Indiana, outside the city limits of Fort Wayne, on application of Ryder Truck Lines, Inc.

EFFECT OF PASSAGE Purchase of existing motor freight terminal creating 5 new jobs immediately and 15 to 20 new jobs within three years with an estimated payroll of approximately $100,000 to $200,000 annually.

EFFECT OF NON-PASSAGE None of the above.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) None.

ASSIGNED TO COMMITTEE (PRESIDENT)

APPLICATION TO FORT WAYNE, INDIANA
ECONOMIC DEVELOPMENT COMMISSION,
FOR ECONOMIC DEVELOPMENT
REVENUE BOND FINANCING

(1) Applicant's name

AWB REALTY CORP.

(2) Address of Applicant's Principal Office and Place of Business.

203 East Berry Street
Fort Wayne, Indiana 46802

(3) Type of organization under which the Applicant does business (e.g. corporation, partnership, sole proprietorship, joint venture).

Corporation

(4) Under the laws of what State is the Applicant organized?

Indiana

(5) Business or business in which applicant is engaged?

A wholly owned real estate holding company subsidiary of Anthony Wayne Bank of Fort Wayne, Indiana

(6) Is the applicant qualified to do business in Indiana?

Yes.

(7) Please list names and titles of principal operating personnel.

Jay R. Powell, President
Tudor Glassburn, Vice President
Larry G. Doctor, Secretary/Treasurer

(8) Please list names of all persons or firms having an ownership interest of 10% or more in the applicant.

Anthony Wayne Bank of Fort Wayne, Indiana owns 100% of the stock of Applicant

(9) Please list names of any persons who are both (a) shareholders or holders of any debt obligation of the applicant; and (b) officers or members of the Economic Development Commission; or members of the Common Council of the City; or members of the Allen County Council.

None.

(10) Has any person listed been (a) convicted of a felony, (b) convicted of or enjoined from any violation of state or federal securities laws, or (c) a part to any consent order or entry with respect to an alleged state or federal securities law violation, in each case within ten years preceding the date of this application?

No.

(11) What is applicant's net worth as of the end of the calendar or fiscal year quarter next preceding the date of the application?

As of September 30, 1981 - $152,981.96

(12) How long has applicant been in business (a) under its present name, and (b) under any prior names? Please supply, if applicable.

(a) June 14, 1961
(b) N/A

(13) What is the proposed amount of the bond issue?

$7,600,000.00

(14) How are the proceeds of the issue to be used? (Itemize by category of expenditure)

Land -	$1,150,000
Building Construction (Includes Architects fees)	- $5,750,000
Contingency -	200,000
*General -	300,000
Demolition, Landscaping, Fees, Commissions, Interim financing -	400,000 **

(15) If the proceeds of the issue are not estimated to be sufficient to acquire, construct and/or remodel, and equip the proposed project, itemize the additional expenditures which will be necessary and indicate the source of such funds.

The amount being requested should be sufficient for all items.

(16) Where is the proposed project to be located? (Give street address and legal description as it appears on auditor's records).

(See Attached Sheet)

** (14) Total - $7,600,000

(16) Legal Descriptions:

The East 20 feet of Lot Numbered 89 and the West 20 feet of Lot Numbered 90 in the Original Plat to the Town of Fort Wayne, Indiana;

The West 40 feet of the Lot Number 89 in the Original Plat to the Town of Fort Wayne;

The East 20 feet of the West 40 feet of Lot 90 in the Original Plat to the Town of Fort Wayne;

The East 20 feet of Lot 90 and the West 20 feet of the North 60 feet of Lot 91 in the Original Plat to the Town of Fort Wayne;

The East 40 feet of the North 60 feet together with 20 feet South of the North 60 feet in Lot 91 in the Original Plat to the Town of Fort Wayne;

East 40 feet of South 60 feet and South 20 feet of North 80 feet Lot 91 in Original Plat of Fort Wayne;

(17) Describe facilities to be constructed. (Provide architect's rendering if available).

A 6-story, approximately 79,000 sq. ft. office facility. Architect's rendering will be available at hearing.

(18) Is the project solely within the city limits of Fort Wayne? (If not, give the name of the township and/or other municipality in which it is located).

Yes.

(19) Is the property solely within the Fort Wayne Community School District? (If not, state the name of the School District in which it is located).

Yes.

(20) What is the approximate size of the tract or parcel on which the property is to be situated?

The approximate size of the parcel will be available at the hearing.

(21) If the proposed project or a portion thereof is to be leased to another entity or entities, name the entity or entities and describe the portion to be leased. If no lease is contempleted, please indicate.

Approximately 60% of the leasable space will be leased to the Anthony Wayne Bank for use in general banking operations, and the remainder will be leased to other tenants, unknown at this time.

Anthony Wayne Bank will be the guarantor of bond payments and accordingly their financial statements, which are reported on a consolidated basis with AWB Realty Corp., their wholly owned subsidiary, are attached hereto.

(22) What is the nature of the business to be conducted at this location?

General commercial banking functions, including, but not limited to, main office tellers lobby, drive-up facilities, computer operations, proof and transit functions, commercial and personal loans, trust operations, and all necessary accounting and auditing functions.

(23) Does existing zoning clearly permit construction and operation of the proposed project? Yes.

(a) - What is the existing zone? B-3-A

(b) - What zone does project require? B-3-A

(24) Will the proposed project have ready access to (a) water, and (b) sewers? If not, state how it is intended to obtain access to those utilities.

(a) Yes.
(b) Yes.

(25) Are septic tank or other temporary sewage treatment and disposal facilities to be used in lieu of sewers?

No.

(26) Describe briefly any adverse environmental impact anticipated by reason of operation of the proposed project, with particular reference to air, noise or water pollution.

None.

(27) If the project is constructed, will any existing jobs be lost by reason of reduction or cessation of operations (a) in the City, (b) in Allen County, or (c) elsewhere in the State of Indiana?

(a) No.
(b) No.
(c) No.

(28) Describe briefly by category the nature of the new jobs to be created.

See attached sheet

(29) State the number of new jobs to be created (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) 25-30
(b) 70-75

(30) What additional annual payroll will the new jobs generate (a) immediately after the proposed facilities are placed into operation, and (b) within three years thereafter.

(a) Approximately $300,000.00 at current levels.
(b) $975,000.00 at current wage and fringe benefit levels.

(31) If the proposed project would not be approved for tax-exempt financing, is there any substantial possibility that loss of existing jobs would occur in (a) the City, (b) the County, or (c) the State of Indiana? If the answer to either (a), (b) or (c) is affirmative, what would be the approximate number of jobs lost and the approximate net annual dollar amount of payroll loss?

No.

28. The nature of the new jobs that this building would provide the adequate space space to accommodate, would include, but not limited to, the following:

(a) Correspondent Financial Institution Computer Services:
First Year - 8
In Three Years - 24

(b) Merchant Bank Card Sales Data Center:
First Year - 10
In Three Years - 30

(c) Financial Institution Marketing Services:
In Three Years - 4

(d) Freedom Bank Support Center:
In Three Years - 6

(e) Expanded Trust Department and Commercial Loan Operations:
In Three Years - 6

(f) Additional Maintenance Personnel - 5

Total in Three Years - 75

(32) Has the proposed project been informally reviewed by bond counsel to determine whether it is in accordance with the applicable state and federal law? If so, by what firm of bond counsel?

Yes. Snow, Rosenblatt & Moliere, Fort Wayne, Indiana

(33) Have tentative or final arrangements been made for sale of the bonds? Describe briefly any such arrangements.

Tentative arrangements are in process of being made with several entities for the sale of the bonds. The final details for this sale remain indefinite until negotiations with these parties are concluded.

(34) Describe briefly the proposed method of financing. (Direct, loan, lease, sale, etc.)

Direct loan through Bond sale.

AWB REALTY CORP.
Name of Applicant

SNOW, ROSENBLATT & MOLIERE

BY: [signature]
Norman S. Snow
Its: Attorney for Applicant

Dated this 11th day of December, 1981

State name, address and phone number of person to be contacted and given notice about this applicant:

Norman S. Snow, SNOW, ROSENBLATT & MOLIERE, 1310 Anthony Wayne Bank Building, Fort Wayne, Indiana 46802.

TELEPHONE: 219/423-2353

NOTE: The applicant should either attach a firm letter of commitment from a Bank or other financial institutions to purchase the proposed bond issue, or should attach hereto copies of its financial statements (and those of any proposed guarantor, if any), preferably audited, for the three calendar years preceding the date of this application. If the obligations of the applicant and/or payment of principal of any interest on the bonds are to be guaranteed by an entity other that the applicant, please supply answers so questions 1 through 7 inclusive, with respect to the proposed guarantor.

FORWARD APPLICATION TO:

Debbie Jo Shell
EDC Coordinator
City-County Building
Room 800
One Main Street
Fort Wayne, Inaiana 46802
(219) 423-7995

COUNSEL FOR THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION:

John Wernet
200 Metro Building
202 W. Berry Street
Fort Wayne, Indiana 46802
Telephone: (219) 423-3595

MEMBERS OF THE ECONOMIC DEVELOPMENT COMMISSION:

Sidney R. Sheray
Timothy S. Borne
Charles M. Henry
Phillip A. Howard
Stanley Lipp

CITY OF FORT WAYNE INDIANA

The City of Fort Wayne

December 10, 1981

Mr. Bruce Boxberger
City Attorney
City County Building
Fort Wayne, Indiana

RE: EDC Application for AWB Realty Corp.

Dear Bruce:

I have reviewed the application and financial statements of the above named applicant.

I find no problems with these documents which should deter action by the Commission.

Sincerely,

Frank W. Heyman
City Controller

THE CITY OF FORT WAYNE

CITY-COUNTY BUILDING • ONE MAIN STREET • FORT WAYNE, INDIANA 46802

city plan commission

10 December 1981

B. Jane Strother
Department of Economic Development
Room #840, City-County Building
One Main Street
Fort Wayne, IN 46802

Re: A.W.B. Realty Corp.

Dear Ms. Strother:

The property located at the southwest corner of Main and Barr Streets is zoned "B-3-A" - General Business. The B-3-A district permits "General Commercial Bank Facilities and Offices".

If you have additional questions please contact me at 423-7571.

Sincerely,

Gary F. Baeten
Senior Planner

GFB:pb

INDUCEMENT RESOLUTION OF
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
ON APPLICATION OF
AWB REALTY CORP.

WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is authorized by Indiana Code §36-7-12 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities, and said facilities to be either sold or leased to the user or developer; and

WHEREAS, AWB Realty Corp. (the "Applicant"), has advised the Fort Wayne Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer acquire and equip an economic development facility and sell and/or lease the same to the Applicant or loan proceeds of an economic development financing to the Applicant for the same, said economic development facility to be an acquisition of land and construction of office building for lease by Anthony Wayne Bank and for lease to unrelated tenants including cost of issue, said project to be located at the northwest corner of Main and Barr Streets, Fort Wayne, Indiana (the "Project"); and

WHEREAS, the diversification of industry and increase in job opportunities to be achieved by the acquisition of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, it would appear that the financing of the Project would be of public benefit to the health, safety and general welfare of the Issuer and its citizens or the citizens of Allen County, Indiana; and

WHEREAS, the acquisition and construction of the facility will not have an adverse competitive effect on any similar facility already constructed or operating in Allen County, Indiana.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission hereby finds and determines that the promotion of diversification of economic development and job opportunities in Fort Wayne, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer, and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

2. The Commission hereby finds and determines that the issuance and sale of economic development revenue bonds in an amount of approximately $7,600,000 of the Issuer under the Act for the acquisition, construction and equipping of the Project and the sale or leasing of the Project to the Applicant or the loan of the proceeds of the revenue bonds to the Applicant, will serve the public purposes referred to above, in accordance with the Act.

3. In order to induce the Applicant to proceed with the acquisition, construction and equipping of the Project, the Commission hereby finds and determines that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing or as it may deem appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant; and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds.

4. All costs of the Project which may be financed under the Act will be permitted to be included as part of the bond issue to finance the Project, and the Issuer will sell or lease

the same to the Applicant or loan the proceeds from the sale of the bonds to the Applicant for the same purposes.

5. This Resolution shall expire 180 days after the date of its adoption unless the Applicant either requests the Commission to adopt a final resolution approving closing documents or requests an extension from the Commission, which extension shall be granted upon good cause being shown.

ADOPTED this ___ day of ______________, 1981.

FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION

____
Sidney R. Sheray

____
Timothy Borne

____
Charles M. Henry

____
Phil A. Howard

____
Stan Lipp

REPORT OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION CONCERNING THE PROPOSED FINANCING OF ECONOMIC DEVELOPMENT FACILITIES FOR

A.W.B. Realty Corp.

Having been furnished certain data by the above applicant, and having had discussions with representatives of said applicant, the Fort Wayne Economic Development Commission now submits the following report pursuant to Indiana Code 36-7-12-1 et seq.

Description of Proposed Facilities

Project will consist of purchase of land and construction of general commercial bank facilities and offices to be located at the southwest corner of Main and Barr Streets within the city limits of Fort Wayne, in Allen County, Indiana

Estimate of Public Services Required

All public services, including water and sewage, now exist. No public facilities will be made necessary on account of the proposed facilities.

Total Project Cost

The total project cost for the purchase, construction and equipping of the facilities is estimated to be $ 7,600,000.00 , including costs of issuance of the economic development revenue bonds.

Number of Jobs and Estimated Payroll

It is anticipated there will be approximately 75 new jobs created by this project with an estimated payroll increase of approximately $ 975,000.00 annually.

Adverse Competitive Effect

The construction of the facilities will not have an adverse competitive effect on any similar facilities already constructed or operating in or near Fort Wayne, Indiana.

Dated this 17 day of December , 1981 .

Sidney R. Sheray

Charles Henry

Timothy Borne

Phil A. Howard

Stan Lipp

APPLICATION TO FORT WAYNE, INDIANA,
ECONOMIC DEVELOPMENT COMMISSION
FOR ECONOMIC DEVELOPMENT
REVENUE BOND FINANCING

1. Applicant's name.

RYDER TRUCK LINES, INC. ("RYDER")

2. Address of Applicant's Principal Office and Place of Business: 2050 Kings Road, P. O. Box 2408
Jacksonville, Florida 32203

3. Type of organization under which the Applicant does business (e.g. corporation, partnership, sole proprietorship, joint venture). Corporation

4. Under the laws of what State is the Applicant organized? Florida

5. Business or businesses in which Applicant is engaged? Ryder is a common carrier of general freight and bulk commodities in interstate commerce.

6. Is the Applicant qualified to do business in Indiana? No

7. Please list names and titles of principal operating personnel:

See Attachment A hereto

8. Please list names of all persons or firms having an ownership interest of 10% or more in the applicant: Ryder is a wholly owned subsidiary of IU Transportation Services, Inc., a Delaware corporation, which is in turn a wholly owned subsidiary of IU International Corporation, a Maryland corporation.

9. Please list names of any persons who are both (b) officers or members of the Economic Development Commission; or members of the Common Council of the City; or members of the Allen County Council; and (a) shareholders or holders of any debt obligation of the applicant: None.

10. Has any person listed in 7 or 8 been (a) convicted of a felony, (b) convicted of or enjoined from any violation of state or federal securities laws, or (c) a party to any consent order or entry with respect to an alleged state or Federal securities law violation, in each case within ten years preceding the date of this application? No.

11. What is applicant's net worth as of the end of the calendar or fiscal year quarter next preceding the date of the application? As of June 28, 1981, the shareholders equity of Ryder and its consolidated subsidiaries is $54,611,356.

12. How long has applicant been in business (a) under its present name, and (b) under any prior names? Please supply, if applicable. Ryder has been operating under its present name since 1967.

13. What is the proposed amount of the bond issue? $600,000.

14. How are the proceeds of the issue to be used? (Itemize by category of expenditure).

See Attachment B hereto

15. If the proceeds of the issue are not estimated to be sufficient to acquire, construct and/or remodel, and equip the proposed project, itemize the additional expenditures which will be necessary and indicate the source of such funds.

Not Applicable

16 Where is the proposed project to be located? (Give street address and legal description as it appears on auditor's records).

6420 Wilson Drive
Fort Wayne, Indiana

17. Describe the facilities to be constructed. (Provide architect's rendering if available). The project is an existing motor freight terminal presently owned by/Wilson Motor Freight Express. It consists of a dock and a one-story attached office building. The dock is 3,750 sq. ft., contains 12 loading doors and is made of pre-engineered metal. The office building is 1,700 sq. ft. and is made of brick and metal. The project is located on a 5.8 acre site of which 2.5 acres are improved. The improved area includes a blacktop paved area for employee parking and for access to and from the terminal building. A 10,000 gallon diesel fuel tank is located below ground level on the site.

Dearborn Equipment Co., a subsidiary of

18. Is the project solely within the city limits of Fort Wayne? No If not, give the name of the Township and/or other municipality in which it is located:

Adams Township

19. Is the property solely within the Fort Wayne Community School District? (If not, state the name of the School District in which it is located):

East Allen County School District

20. What is the approximate size of the tract or parcel on which the property is to be situated?

5.8 acres

21. If the proposed project or a portion thereof is to be subleased to another entity or entities, name the entity or entities and describe the portion to be subleased. If no lease is contemplated, please indicate.

Not applicable.

22. What is the nature of the business to be conducted at this location?

Motor freight terminal

23. Does existing zoning clearly permit construction and operation of the proposed project? Yes

(a) - What is the existing zone? I-1

(b) - What zone does project require? I-1

24. Will the proposed project have ready access to (a) water, and (b) sewers? If not, state how it is intended to obtain access to those utilities. There are an existing well and septic tank on the premises. No additional construction will be required.

25. Are septic tanks or other temporary sewage treatment and disposal facilities to be used in lieu of sewers? Yes

26. Describe briefly any adverse environmental impact anticipated by reason of operation of the proposed project, with particular reference to air, noise or water pollution. None

27. If the project is constructed, will any existing jobs be lost by reason of reduction or cessation of operations (a) in the City (b) in Allen County, or (c) elsewhere in the State of Indiana?

(a) No, Ryder has an existing leased facility which is located in the City of Fort Wayne. Employees of this facility will be relocated to the project upon completion of construction and placement into service.

(b) No

(c) No

28. Describe briefly by category the nature of the new jobs to be created. Initially, the newly created jobs are those of dock workers. Over a period of three years, there will be new jobs created for dock workers, mechanics, supervisors and line-haul drivers.

29. State the number of new jobs to be created. (a) Immediately after the proposed facilities are placed into operation and (b) within three years thereafter. (a) Immediately after the proposed acquisition, five dock workers will be hired in addition to the existing employees. (b) Within three years thereafter, fifteen to twenty additional employees will be hired.

30. What additional annual payroll will the new jobs create (a) Immediately after the proposed facilities are placed into operation and (b) within three years thereafter. The initial payroll increase will be approximately \$100,000 to \$200,000, all at the location of the terminal in Allen Township.

31. If the proposed project would not be approved for tax-exempt financing, is there any substantial possibility that loss of existing jobs would occur in (a) the City (b) the County, or (c) the State of Indiana? If the answer to either (a) (b) or (c) is affirmative, what would be the approximate number of jobs lost and the approximate net annual dollar amount of payroll loss?

(a) No
(b) No
(c) No

32. Has the proposed project been informally reviewed by bond counsel to determine whether it is in accordance with applicable state and federal law? If so, by what firm of bond counsel?

Yes - Peter S. Sartorius, Esq.
Morgan, Lewis & Bockius
2100 Fidelity Building
Philadelphia, Pennsylvania 19109

33. Have tentative or final arrangements been made for sale of the bonds? Describe briefly any such arrangements.

James H. Roberts, Assistant Treasurer of IU International Management Corporation, a subsidiary of IU International Corporation ("IU") will place the bonds privately with a bank, insurance company or tax-exempt mutual fund with which IU has established business relations.

34. Describe briefly the proposed method of financing. (direct loan, lease, sale, etc.) It is Ryder's desire to enter into an installment sale agreement which provides for purchase price payments in amounts equal to principal, premium, if any, and interest payable on the economic development revenue bond.

Dated this 2nd day
of December, 1981.

RYDER TRUCK LINES, INC.
Name of Applicant

By: John [illegible]
Its: Vice President

State name, address and phone number or person to be contacted and given notice about this application:

Susan R. Freedman, Esq.,
c/o IU International Management Corporation,
1500 Walnut Street
Philadelphia Pennsylvania 19102

NOTE: The applicant should either attach a firm letter of commitment from a Bank or other financial institutions to purchase the proposed bond issue, or should attach hereto copies of its financial statements (and those of any proposed guarantor, if any), preferably audited, for the three calendar years preceding the date of this application. If the obligations of the applicant and/or payment of principal or any interest on the bonds is to be guaranteed by an entity other than the applicant, please supply answers to questions 1 through 7 inclusive, with respect to the proposed guarantor.

Ryder's audited financial statements for the calendar years 1978, 1979 and 1980 and unaudited interim financial statements for the six month period ending June 27, 1981 are attached hereto and incorporated herein.

FORWARD APPLICATION TO:

Debbie Jo Shell
EDC Coordinator
City-County Building
Room 800
One Main Street
Fort Wayne, Indiana 46802
(219) 423-7995

COUNSEL FOR THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION:

John Wernet
200 Metro Building
202 W. Berry Street
Fort Wayne, Indiana 46802
(219) 423-3595

MEMBERS OF THE ECONOMIC DEVELOPMENT COMMISSION:

Sidney R. Sheray
Timothy S. Borne
Charles M. Henry
Phillip A. Howard
Stanley Lipp

ATTACHMENT TO ITEM 7

OFFICERS

Chairman of the Board	John J. Terry
President and Chief Executive Officer	T. L. Mainwaring
Executive Vice Presidents:	L. K. Johnson W. H. Ovard Kinzey Reeves
Senior Vice Presidents:	John Bresnahan Edward J. Brown Samuel E. Somers, Jr.
Vice Presidents:	
Traffic Services	Richard E. Allish
Western Division	J. T. Avery
President of Helm's Division	William C. Bender
National Account Sales	Fred Bostick
Northern Division	Dennis R. Dessecker
Maintenance	Brian P. Doran
Personnel	K. B. Guyot
Risk Management	Harold Flax
Sales	M. W. Hensley, Jr.
Labor Relations	Earl Hunsinger
President of Byrns Division	Leroy E. Johnson
Properties and Real Estate	John Mangu, Jr.
Ranger Division	R. C. Moore
Employee Relations & Safety	Martin G. Noon
Ranger Division	Rex R. Oliver
Claims & Security	Ervin A. Sierra
Operations	T. H. Suggs
Southern Division	T. L. Thompson
Secretary	William H. Walker
Treasurer	J. R. Wilson
Assistant Secretaries:	H. Beatty Chadwick Trevor Crabtree F. L. Griffiths John Mangu, Jr. W. H. Ovard J. R. Wilson
Assistant Treasurer	Alfred J. Clougherty

ATTACHMENT TO ITEM 14

Name of Item	Dollar Amount	
Land and existing motor freight terminal	$275,000	
Closing Costs	5,000	
Remodeling of interior	30,000	
Addition to terminal	94,000	
Yard paving	75,000	
Contingency	51,000	
Total Acquisition and Construction Costs		530,000
Interest during construction		-0-
Financing costs		70,000
Total		600,000

The City of Fort Wayne

December 10, 1981

Mr. Bruce Boxberger
City Attorney
City-County Building
Fort Wayne, Indiana

RE: EDC Application for Ryder Truck Lines, Inc.

Dear Bruce:

I have reviewed the application and the financial statements of the above named applicant.

I find no problems with these documents which should deter action by the Commission.

Sincerely,

Frank W. Heyman
City Controller

acpc

Jack G. Suter • executive director • 219-423-7096

allen county plan commission • 630 city-county building • one main street • fort wayne, indiana • 46802

December 11, 1981

TO: Jane Strother, E.D.C. Coordinator

FROM: Jack G. Suter JGS

SUBJECT: Economic Development Commission application of Ryder Truck Lines, Inc.

We have reviewed the report on Ryder Truck Lines, who proposes to acquire facilities at 6420 Wilson Drive.

The real estate is properly zoned for the use and should have no adverse effects on the community.

JGS:gb

REPORT OF THE FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION CONCERNING THE PROPOSED FINANCING OF ECONOMIC DEVELOPMENT FACILITIES FOR Ryder Truck Lines, Inc. ("Ryder")

Having been furnished certain data by the above applicant, and having had discussions with representatives of said applicant, the Fort Wayne Economic Development Commission now submits the following report pursuant to Indiana Code 36-7-12-1 et seq.

Description of Proposed Facilities

The project consists of acquisition of an existing freight terminal made up of a pre-engineered metal 3,750 foot dock with 12 loading doors and an attached 1,700 square foot brick and metal office building, as well as additions to the terminal, to be located on 5.8 acres at 6420 Wilson Drive, outside the city limits of Fort Wayne, in Allen County Indiana.

Estimate of Public Services Required

All public services, including water and sewage, now exist. No public facilities will be made necessary on account of the proposed facilities.

Total Project Cost

The total project cost for the purchase, construction and equipping of the facilities is estimated to be $ 600,000.00, including costs of issuance of the economic development revenue bonds.

Number of Jobs and Estimated Payroll

It is anticipated there will be approximately 15 immediately 15-20 in the future new jobs created by this project with an estimated payroll increase of approximately $100,000.00 - $200,000.00 annually.

Adverse Competitive Effect

The construction of the facilities will not have an adverse competitive effect on any similar facilities already constructed or operating in or near Fort Wayne, Indiana.

Dated this 17 day of December, 1981.

Sidney R. Sheray

Charles Henry

Timothy Borne

Phil A. Howard

Stan Lipp

INDUCEMENT RESOLUTION OF
FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION
ON APPLICATION OF
RYDER TRUCK LINES, INC.

WHEREAS, the City of Fort Wayne, Indiana, (the "Issuer") is authorized by Indiana Code §36-7-12 (the "Act") to issue revenue bonds for the financing of economic development facilities, the funds from said financing to be used for the acquisition, construction and equipping of said facilities, and said facilities to be either sold or leased to the user or developer; and

WHEREAS, Ryder Truck Lines, Inc. (the "Applicant"), has advised the Fort Wayne Economic Development Commission (the "Commission") and the Issuer that it proposes that the Issuer acquire and equip an economic development facility and sell and/or lease the same to the Applicant or loan proceeds of an economic development financing to the Applicant for the same, said economic development facility is an existing motor freight terminal consisting of a dock and a one-story attached office building, located on a 5.8 acre site and including a 10,000 gallon diesel fuel tank, located in Adams Township, Allen County, Indiana, outside the city limits of Fort Wayne, (the "Project"); and

WHEREAS, the diversification of industry and increase in job opportunities to be achieved by the acquisition of the Project will be of public benefit to the health, safety and general welfare of the Issuer and its citizens; and

WHEREAS, it would appear that the financing of the Project would be of public benefit to the health, safety and general welfare

of the Issuer and its citizens or the citizens of Allen County, Indiana; and

WHEREAS, the acquisition and construction of the facility will not have an adverse competitive effect on any similar facility already constructed or operating in Allen County, Indiana.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission hereby finds and determines that the promotion of diversification of economic development and job opportunities in Fort Wayne, Indiana, is desirable to preserve the health, safety and general welfare of the citizens of the Issuer, and that it is in the public interest that the Commission and the Issuer take such action as they lawfully may to encourage economic development, diversification of industry and promotion of job opportunities in and near the Issuer.

2. The Commission hereby finds and determines that the issuance and sale of economic development revenue bonds in an amount of approximately $600,000 of the Issuer under the Act for the acquisition, construction and equipping of the Project and the sale or leasing of the Project to the Applicant or the loan of the proceeds of the revenue bonds to the Applicant, will serve the public purposes referred to above, in accordance with the Act.

3. In order to induce the Applicant to proceed with the acquisition, construction and equipping of the Project, the Commission hereby finds and determines that (i) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing or as it may deem appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the Issuer and the Applicant; and (ii) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of said economic development revenue bonds.

4. All costs of the Project which may be financed under the Act will be permitted to be

included as part of the bond issue to finance the Project, and the Issuer will sell or lease the same to the Applicant or loan the proceeds from the sale of the bonds to the Applicant for the same purposes.

5. This Resolution shall expire 180 days after the date of its adoption unless the Applicant either requests the Commission to adopt a final resolution approving closing documents or requests an extension from the Commission, which extension shall be granted upon good cause being shown.

ADOPTED this 17 day of December, 1981.

FORT WAYNE ECONOMIC DEVELOPMENT COMMISSION

Sidney R. Sheray

Timothy Borne

Charles M. Henry

Phil A. Howard

Stan Lipp

OFFICER'S CERTIFICATE

I, J. R. Wilson, certify that to the best of my knowledge and belief, the accompanying financial statements of Ryder Truck Lines, Inc. and Subsidiaries are true and correct and present fairly the company's financial position as of June 27, 1981, and the six months then ended. These statements have been prepared in conformity with generally accepted accounting principles on a basis consistent in all material respects with the prior year.

Treasurer

Dated: August 27, 1981

RYDER TRUCK LINES, INC.

Consolidated Balance Sheets
June 27, 1981 and June 28, 1980

ASSETS	1981	1980
Current Assets:		
Cash	$ 3,821,939	$ 7,989,643
Special Deposits	75,177	193,318
Receivables:		
Customer and interline accounts	56,144,881	42,136,024
Other	3,335,398	3,607,774
	59,480,279	45,743,798
Less - Allowance for doubtful accounts	1,704,011	1,519,310
Net Receivables	57,776,268	44,224,488
Due from Affiliate	1,127,410	96,836
Inventories of material and supplies	4,768,297	4,668,042
Prepaid expenses:		
Federal income taxes	9,689,000	1,290,000
Tires and tubes in service	11,615,128	11,367,221
Other	4,178,573	3,103,432
Total prepaid expenses	25,482,701	15,760,653
Total current assets	93,051,792	72,932,980
Investments and Advances:		
Non current portion of notes receivable	97,783	375,700
Other investments at cost	444,315	406,200
Total investments and advances	542,098	781,900
Property and equipment, at cost:		
Land	9,542,345	6,756,789
Buildings	36,551,994	31,698,801
Revenue Equipment	151,790,001	142,894,954
Other Equipment	15,825,444	9,936,599
Leasehold improvements	4,304,728	2,703,482
	218,014,512	193,990,625
Less - Accumulated depreciation	90,183,560	77,316,189
Net property and equipment	127,830,952	116,674,436
Other Assets:		
Excess of cost over net assets of subsidiaries acquired and merged	-	8,888,758
Operating rights and franchises	1,369,824	12,917,649
Deferred charges	1,106,231	1,806,798
	$ 223,900,897	$ 214,002,521

RYDER TRUCK LINES, INC.

Consolidated Balance Sheets
June 27, 1981 and June 28, 1980

LIABILITIES AND STOCKHOLDER'S EQUITY	1981	1980
Current Liabilities:		
Current portion of long-term debt	$ 2,767,581	$ 543,741
Accounts payable	17,960,289	19,647,603
Accrued expenses:		
Salaries, wages and other compensation	23,148,438	17,489,113
Taxes (other than income taxes) accrued or withheld	4,770,929	3,853,136
Self insurance claims	13,496,945	13,568,729
Interest	996,304	1,030,286
Other	5,189,394	4,224,291
Total accrued expenses	47,602,010	40,165,555
Federal and State income taxes	7,339,040	635,199
Total current liabilities	75,668,920	60,992,098
Long term debt	62,997,007	65,895,646
Other non current liabilities:		
Deferred income taxes	9,665,000	8,155,000
Deferred compensation	1,871,650	2,024,169
Self insured claims and other liabilities	8,073,064	5,108,000
Federal income taxes	9,888,000	-
Intercompany payables	1,125,900	-
Total other non current liabilities	30,623,614	15,287,169
Stockholder's Equity:		
Common stock	9,700	9,700
Additional paid-in capital	5,568,773	5,568,773
Retained earnings (deficit)	49,032,883	66,249,135
Total stockholder's equity	54,611,356	71,827,608
	$ 223,900,897	$ 214,002,521

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings and Retained Earnings

Six Months ended June 27, 1981 and June 28, 1980

	1981	1980
Operating revenue	$ 329,018,690	$ 286,448,128
Operating expenses:		
Salaries, wages and benefits	162,020,309	144,216,925
Operating supplies and expenses	52,203,481	43,984,551
Equipment rent and purchased transportation	71,852,008	57,122,207
Depreciation and amortization	11,513,695	9,863,731
Operating taxes and licenses	6,459,212	5,878,625
Insurance and claims	5,086,457	4,899,381
Communications and utilities	3,332,968	3,079,175
Total operating expenses	312,468,130	269,044,595
Operating income	16,550,560	17,403,533
Other deductions, net:		
Interest expense, net of interest income	3,320,084	2,804,256
Other (income) expense, net	(617,757)	(254,962)
Total other deductions, net	2,702,327	2,549,294
Earnings before income taxes	13,848,233	14,854,239
Provision for income taxes:		
Current	4,625,000	4,253,000
Deferred	1,179,000	1,689,000
	5,804,000	5,942,000
Net earnings	8,044,233	8,912,239
Retained earnings at beginning of year	45,184,079	62,788,135
	53,228,312	71,700,374
Less - Cash dividends	4,195,428	5,451,239
Retained earnings at end of year	$ 49,032,884	$ 66,249,135

COMPLIANCE CERTIFICATE

Chemical Bank
277 Park Avenue
New York, New York 10172

Attention:

Re: The Ryder Agreement
Dated September 21, 1972

RYDER TRUCK LINES, INC.

Analysis of Covenant Requirements
(To be submitted quarterly with Financial Statements)

I. Consolidated Working Capital (Section 6.2)

a.	Current Assets....................................		$ 93,051,792
b.	Current Liabilities...............................	$72,901,339	
c.	Line Ia Minus Line Ib.............................		$ 20,150,453

II. Minimum Net Worth (Section 6.3)

a.	Base Net Worth....................................		$40,000,000
b.	Plus: Accumulated Net Income Since 12-31-80 (GAAP)...	$ 8,044,233	
c.	Less: 50% of Accumulated Net Income Since 12-31-80 (ICC).................................	$ 3,963,617	
d.	Net Worth Requirement (a+b-c)....................		$ 44,080,616
e.	Defined Net Worth (Section 1) (To Equal or Exceed amount shown in d and $40,000,000)............................		$ 54,611,356

III. Current and Senior Funded Debt to Net Worth (Section 7.1)

a.	Total Defined Current and Senior Funded Debt....		$ 63,699,272
b.	Defined Net Worth (Section 1)....................	$54,611,356	
c.	Plus Provisions for Deferred Income Taxes.......	$ 9,665,000	
d.	Subtotal..		$ 64,276,356
e.	Line IIIa. Divided by Line IIId. (Maximum ration 1.25:1).......................	Ratio	0.99:1.00

IV. Dividend Restriction (Section 7.2)

a.	Net Income Computed on an I.C.C. Basis from and after December 31, 1980......................	$ 7,927,233
b.	50% of Line VIa..................................	$ 3,963,617
c.	Paid or Declared Dividends since January 1, 1981 (Not to Exceed Line VIb, plus $10,000,000)..	$ 4,195,428

V. Lease Restrictions (Section 7.5)

a.	Annual obligations for lease payments..........	$ 2,925,000
b.	Less: Lease payments permitted as Mortgage Indebtedness or excluded by Section 7.5.....	$ 637,000
c.	Net Annual Lease Payments (Not to Exceed $5,000,000)...........................	$ 2,288,000

This is to certify that I have reviewed the covenants and provisions of Sections 4, 5, 6, 7 and 8 of the referenced Ryder Agreement. I hereby certify that no event has occurred which is or, with the passage of time or the giving of notice, would be an Event of Default under Section 8 of the Ryder Agreement, except as fully described below.

RYDER TRUCK LINES, INC.

Date: August 27, 1981

By: [signature]
Title: Treasurer

RECONCILIATION OF "ICC" AND "GAAP" NET INCOME

	ICC Net Income	Deferred Taxes	Maintenance Reserve	Intangible Amort.	Extraordinary Item	CBX N.O.L. Recognition	Foreign Operations	GAAP Net Income	Dividends Paid
1971	$ 3,259,510	$(500,000)	$	$	$	$	$	$ 2,759,510	$ 1,500,000
1972	3,341,629	304,000						3,645,629	1,630,000
1973	5,496,491	27,000						5,523,491	1,670,000
1974	6,898,076							6,898,076	2,738,000
1975	6,812,848		(600,000)					6,212,848	3,447,000
1976	9,065,898		210,000					9,275,898	3,106,000
1977	13,001,294		101,380	(116,232)		(45,000)		12,941,442	4,528,508
1978	19,705,087		(198,900)	(130,578)		(109,000)		19,266,609	6,486,900
1979	21,832,821		(146,479)	(150,380)				21,535,962	9,852,327
1980	(7,925,829)		451,650	(130,700)	995,890		(92,589)	(6,701,578)	10,902,478
6 Mos. Ended 6/27/81	7,927,233		117,000					8,044,233	4,195,428
	$89,415,058	$(169,000)	$(65,349)	$ (527,890)	$ 995,890	$ (154,000)	$ (92,589)	$89,402,120	$50,056,641

BORROWING BASE CERTIFICATE

In compliance with the provisions of that certain Ryder Agreement between RYDER TRUCK LINES, INC. and the Banks, the undersigned hereby certifies as follows:

As of June 27, 1981;

		*	
1.	Book Value of Eligible Real Estate............	$18,168,938	
2.	Real Estate Borrowing Base (70% of 1).........		$12,718,25
3.	Book Value of Eligible Equipment..............	$88,166,416	
4.	Equipment Borrowing Base (85% of 3)...........		$74,941,45
5.	Sub-total (Total of 2 and 4)..................	$87,659,711	
6.	Less excess, if any, of 2 over 4..............	$ -0-	
7.	Ryder Borrowing base (Balance of 5 minus 6)...		$87,659,71
8.	Unpaid Principal Amount of the Long Term Notes..................................		$33,900,00
9.	Unpaid Principal Amount of all unsecured indebtedness referred to in Section 7.3(d).		$ -0-
10.	Adjusted Ryder Borrowing Base (7 minus 8 minus 9)...........................		$45,806,63
11.	Ryder Commitment..............................		$17,000,00
12.	The lesser of 10 or 11........................		$17,000,00
13.	The Credit....................................		$10,000,00
14.	Undrawn Available Credit (12 minus 13)........		$7,000,00

Attached are schedules supporting the foregoing data.

RYDER TRUCK LINES, INC.

By: [signature]
Title: Treasurer

*of this amount $ -0- represents the value of Eligible Real Estate for which appraisals have been obtained

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Borrowing Base Certificate
June 27, 1981

	Cost	Accumulated Depreciation	Book Value
Total Property and Equipment:			
Land	$ 9,542,345	$ -	$ 9,542,345
Structures	36,551,994	14,802,528	21,749,466
Revenue Equipment	151,790,001	66,499,322	85,290,679
Service Cars and Trucks	4,195,465	1,591,680	2,603,785
Shop and Garage Equipment	1,007,694	517,852	489,842
Furniture and Fixtures	2,117,434	1,195,886	921,548
Miscellaneous Equipment	5,724,109	3,747,392	1,976,717
Leasehold Improvements	4,304,728	1,828,900	2,475,828
CIP	2,780,742	-	2,780,742
	$218,014,512	$ 90,183,560	$127,830,952

Borrowing Base:		
Real Estate:		
Land	$ 9,542,345	
Structures	21,749,466	
CIP	2,780,742	$ 34,072,553
Less: Encumbered Real Estate		(15,903,615)
		$ 18,168,938

Equipment at Book Value:	
Revenue Equipment	$ 85,290,679
Service Cars and Trucks	2,603,785
Shop and Garage Equipment	489,842
Miscellaneous Equipment	1,976,717
Total Equipment	90,361,023
Less: Fully Depreciated Assets	(2,194,607)
	$ 88,166,416

Recapitulation:		
Real Estate	($18,168,938 @ 70%)	$ 12,718,257
Equipment	($88,166,416 @ 85%)	74,941,454
		$ 87,659,711

Peat, Marwick, Mitchell & Co.

Certified Public Accountants

Suite 2700, Independent Square
One Independent Drive
Jacksonville, Florida 32202

The Board of Directors
Ryder Truck Lines, Inc.:

We have examined the consolidated balance sheets of Ryder Truck Lines, Inc. and subsidiaries as of December 27, 1980 and December 29, 1979 and the related consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Ryder Truck Lines, Inc. and subsidiaries at December 27, 1980 and December 29, 1979 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis except for the change, with which we concur, in the method of accounting for compensated absences as described in note 6 to the financial statements.

Peat, Marwick, Mitchell & Co.

January 30, 1981

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 27, 1980 and December 29, 1979

Assets	1980	1979
Current assets:		
Cash and short-term investments (note 3)	$ 11,466,676	$ 9,591,896
Trade accounts and notes receivable, less allowance for doubtful receivables of $1,698,500 in 1980 and $1,482,000 in 1979	50,923,733	43,882,796
Receivables from affiliates	211,818	1,703,960
Inventories of fuel, parts and supplies, at average cost (not in excess of market)	3,642,643	2,777,575
Income taxes recoverable (note 2)	5,324,250	—
Prepaid expenses:		
Income Taxes (note 4)	2,741,000	1,290,000
Tires in service	11,043,903	9,506,659
Other	3,201,758	3,240,409
Total prepaid expenses	16,986,661	14,037,068
Total current assets	88,555,781	71,993,295
Investments:		
Noncurrent portion of notes receivable	106,262	381,046
Other investments, at cost	411,036	394,963
Total investments	517,298	776,009
Property and equipment, at cost (note 3):		
Land	7,389,755	6,603,564
Buildings	34,988,919	30,848,664
Revenue equipment	147,601,324	130,251,188
Other equipment	9,426,613	8,377,793
Leasehold improvements	3,617,335	2,644,168
	203,023,946	178,725,377
Less: Accumulated depreciation and amortization	81,974,545	72,046,746
Net property and equipment	121,049,401	106,678,631
Intangibles and other assets:		
Excess of cost over net assets of companies acquired, net (note 2)	—	8,914,180
Operating rights and franchises, net (note 2)	1,345,639	11,968,039
Other	171,217	779,205
Total intangibles and other assets	1,516,856	21,661,424
	$211,639,336	$201,109,359

Liabilities and Stockholder's Equity	1980	1979
Current liabilities:		
Current maturities of long-term debt (note 3)	$ 10,770,796	$ 527,838
Accounts payable	18,508,214	15,422,437
Accrued expenses:		
Salaries, wages and other compensation	17,940,767	17,719,024
Taxes (other than income taxes) accrued or withheld	5,520,238	5,908,815
Self-insured claims	11,942,662	11,389,497
Other	7,405,445	4,861,645
Total accrued expenses	42,809,112	39,878,981
Income taxes (note 4)	1,380,764	2,775,118
Total current liabilities	73,468,886	58,604,374
Long-term debt (note 3)	58,316,242	60,575,662
Other noncurrent liabilities:		
Deferred income taxes (note 4)	8,963,000	6,466,000
Deferred compensation	1,874,593	1,988,715
Federal income taxes (note 2)	9,888,000	—
Self-insured claims and other liabilities	8,366,064	5,108,000
Total other noncurrent liabilities	29,091,657	13,562,715
Stockholder's equity:		
Common stock of $100 par value. Authorized 100 shares; issued 97 shares	9,700	9,700
Additional paid-in capital	5,568,773	5,568,773
Retained earnings (note 3)	45,184,078	62,788,135
Total stockholder's equity	50,762,551	68,365,608
Commitments and contingencies (notes 3, 5 and 7)		
	$211,639,336	$201,109,359

See accompanying notes to consolidated financial statements.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings and Retained Earnings

Years Ended December 27, 1980 and December 29, 1979

	1980	1979
Operating revenues	$579,820,426	$543,059,066
Operating expenses:		
Salaries, wages and benefits	291,614,076	271,146,256
Operating supplies and expenses	85,279,666	76,583,479
Equipment rent and purchased transportation	117,494,245	110,473,240
Depreciation and amortization	21,790,110	18,779,261
Operating taxes and licenses	11,532,217	11,805,708
Insurance and claims	9,091,140	10,371,363
Communications and utilities	6,047,109	5,314,430
Total operating expenses	542,848,563	504,473,737
Operating income	36,971,863	38,585,329
Other (income) deductions:		
Interest expense, net of interest income (including $231,000 from affiliates in 1980 and $396,000 in 1979)	5,884,903	4,585,227
Gain on sale of equipment	(1,237,420)	(2,331,575)
Other, net	693,397	(117,285)
Total other deductions, net	5,340,880	2,136,367
Earnings before income taxes, extraordinary item and cumulative effect of change in accounting principle	31,630,983	36,448,962
Provision for income taxes (note 4):		
Current	11,370,000	12,490,000
Deferred	1,946,000	2,423,000
	13,316,000	14,913,000
Net earnings before extraordinary item and cumulative effect of change in accounting principle	18,314,983	21,535,962
Extraordinary item (note 2)	(23,962,061)	-
Cumulative effect on prior years of change in the method of accounting for compensated absences, net of deferred income tax benefit of $900,000 (note 6)	(1,054,500)	-
Net earnings (loss)	(6,701,578)	21,535,962
Retained earnings at beginning of year	62,788,135	51,104,500
	56,086,557	72,640,462
Less: Cash dividends	10,902,479	9,852,327
Retained earnings at end of year	$ 45,184,078	$ 62,788,135

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company (a wholly-owned subsidiary of IU Transportation Services, Inc.) and its wholly-owned subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation. Certain amounts for 1979 have been reclassified to conform with the current year's presentation.

(b) Accounting Principles

The Company is required to maintain its accounts in accordance with accounting regulations prescribed by the Interstate Commerce Commission (ICC). However, the Company's financial statements are presented in conformity with generally accepted accounting principles which do not differ significantly from ICC requirements.

(c) Prepaid Tires in Service

The cost of tires mounted on revenue equipment is carried as a prepaid expense and amortized based on tire usage.

(d) Depreciation

Depreciation of property and equipment is provided on the straight-line basis over the estimated useful life of the asset. Leasehold improvements are amortized on the straight-line basis over the term of the respective lease or the life of the improvement, whichever is shorter.

(e) Intangible Assets

Canadian operating rights were not affected by the Motor Carrier Act of 1980 (see note 2) and are being amortized on a straight-line basis over a period of forty years.

(f) Self-Insured Claims

The Company self-insures for $1,000,000 per occurrence all claims involving public liability, property damage, cargo loss and damage and, in states where permitted, workers' compensation. Provision has been made for the estimated cost of claims filed and those incurred but not reported, based upon the Company's experience.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

Years Ended December 27, 1980 and December 29, 1979

	1980	1979
Sources of working capital:		
Net earnings before extraordinary item and cumulative effect of change in accounting principle	$18,314,983	$21,535,962
Items not affecting working capital:		
Depreciation and amortization, including intangibles	21,860,780	19,058,641
Noncurrent portion of deferred income taxes	2,497,000	2,884,000
Deferred compensation	(114,122)	(391,822)
Self-insured claims and other liabilities	3,258,064	407,000
Working capital provided by operations before extraordinary item and cumulative effect of change in accounting principle	45,816,705	43,493,781
Operating rights written off	23,962,061	-
Extraordinary item	(23,962,061)	-
Cumulative effect of change in accounting principle	(1,054,500)	-
Working capital provided by operations	44,762,205	43,493,781
Proceeds from long-term debt	36,100,000	39,051,000
Proceeds from property and equipment sold, less gains of approximately $1,237,000 in 1980 and $2,332,000 in 1979	2,855,272	1,918,746
Decrease in other noncurrent assets	896,660	-
Increase in other noncurrent liabilities	9,888,000	-
	$94,502,137	$84,463,527
Uses of working capital:		
Additions to property and equipment	$38,844,102	$42,353,323
Current maturities and repayment of long-term debt	38,359,420	18,026,563
Increase in operating rights and excess of cost over net assets of companies acquired	4,698,162	1,851,703
Increase in other noncurrent assets	-	838,065
Cash dividends	10,902,479	9,852,327
Increase in working capital	1,697,974	11,541,546
	$94,502,137	$84,463,527
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	$ 1,874,780	$ 3,136,758
Receivables	10,873,045	9,864,702
Inventories	865,068	847,260
Prepaid expenses	2,949,593	1,624,144
	16,562,486	15,472,864
Increase (decrease) in current liabilities:		
Current maturities of long-term debt	10,242,958	2,185
Accounts payable	3,085,777	3,601,428
Accrued expenses	2,930,131	8,965,695
Income taxes	(1,394,354)	(8,637,990)
	16,864,512	3,931,318
Increase in working capital	$ 1,697,974	$11,541,546

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies (Continued)

(f) Self-Insured Claims (Continued)

That portion of the claims liability estimated to be payable in one year has been classified as a current liability.

(g) Revenue

The Company records revenue as of the date the freight is delivered. However, at the end of each accounting period, revenue applicable to freight in transit is accrued on a percentage of completion basis.

(h) Income Taxes

The Company's operating results are included in the consolidated Federal income tax returns filed by the parent company. The parent allocates to each subsidiary the current tax liability which would have been incurred if separate returns had been filed.

Investment tax credit is taken directly into income as a reduction of Federal income tax expense in the year the related assets are placed in service.

(i) Pension Plans

The Company funds normal costs and amortization of prior service cost based on studies by independent actuaries. Prior service costs are amortized over a thirty-year period.

(2) Extraordinary Item - Write-Off of Operating Rights

The extraordinary item resulted from a write-off of the unamortized cost of U.S. operating rights. The write-off reflects the permanent impairment of market value of operating rights resulting from liberalized trucking entry requirements in connection with the deregulation provisions of the Motor Carrier Act of 1980. The write-off will be deducted on the 1980 tax return. However, no tax benefit has been assumed for financial statement purposes since there is no assurance that the deduction will be sustained. If the deduction is not ultimately sustained, the related tax will be paid subsequent to 1981, therefore the amount of the tax benefit claimed has been reflected as a noncurrent liability in the accompanying balance sheet.

(3) Long-Term Debt

A summary of long-term debt follows:

	1980	1979
Indebtedness under revolving credit agreement (a)	$15,000,000	$ 8,000,000
Notes payable (b)	36,000,000	36,000,000
Mortgage notes (c)	15,579,061	14,343,858
Obligations under capital leases (d)	2,507,977	2,578,592
Notes and other obligations for companies acquired	-	181,050
Total long-term debt	69,087,038	61,103,500
Less: Current maturities of long-term debt	10,770,796	527,838
Long-term debt	$58,316,242	$60,575,662

(a) The revolving credit agreement provides for a maximum commitment, subject to certain borrowing base requirements and other restrictions, of $30,000,000, which is shared with an affiliate, and has no specified termination date; however, any participating bank may terminate its commitment upon thirteen months written notice. Advances bear interest at 105% of the prime rate and are unsecured. Upon the occurrence of an event of default or at the request of participating banks, advances may become secured by mortgages on equipment and unencumbered real estate. The agreement imposes certain restrictions on the financial activities of the Company, including a limitation on dividends. Retained earnings available for dividends were approximately $8,391,000 at December 27, 1980.

The Company has informal arrangements with the participating banks to maintain adequate compensating balances.

(b) Notes payable are unsecured and placed with The Prudential Insurance Company of America or its affiliates. Two notes totaling $26,000,000 bear interest at 9.6% and mature in June 1992 with annual installments of $2,100,000 beginning in 1981. An additional note in the amount of $10,000,000 bears interest at a percentage of prime equal to 102% through December 1981, 105% through December 1984 and 108% thereafter and matures in December 1986, with quarterly installments of $625,000 beginning in March 1983. The note agreements impose certain restrictions on the financial activities of the Company which are similar to those imposed by the revolving credit agreement.

(c) The mortgage notes, secured by property with a book value of $15,563,625, mature at various dates through 2001 and bear interest at rates of 6% to 10 3/8%.

(3) Long-Term Debt, Continued

(d) Total payments under capital leases for terminal facilities aggregate $4,868,981, and are due in varying monthly installments through 2000.

(4) Income Taxes

Components of income tax expense are as follows:

	Current	Deferred	Total
1980			
Federal	$ 9,834,000	$ 1,946,000	$11,780,000
State	1,536,000	-	1,536,000
Total	$11,370,000	$ 1,946,000	$13,316,000
1979			
Federal	$10,734,000	$ 2,423,000	$13,157,000
State	1,756,000	-	1,756,000
Total	$12,490,000	$ 2,423,000	$14,913,000

Deferred income tax expense results from the following timing differences in the recognition of revenue and expense for tax and financial statement purposes:

	1980	1979
Tax effect of expenses per financial statements (over) under tax return:		
Depreciation	$2,056,000	$1,997,000
Deferred compensation	27,000	71,000
Regulatory expenses capitalized for tax purposes	168,000	(167,000)
Accrued vacation pay for salaried employees	(120,000)	—
Provision for self-insured claims and other liabilities	(1,278,000)	(670,000)
Reserve for maintenance	384,000	(125,000)
Other, net	(70,000)	43,000
Net gain on sale of property and equipment recognized for financial statements over the amounts recognized on the tax return	779,000	1,274,000
	$1,946,000	$2,423,000

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(4) Income Taxes , Continued

The actual tax expense differs from the "expected" tax expense (computed by applying the U.S. Federal corporate tax rate to earnings before extraordinary item and cumulative effect of change in accounting principle) as follows:

	1980		1979	
	Amount	Percent of pretax income	Amount	Percent of pretax income
Expected tax expense	$14,550,000	46.0%	$16,767,000	46.0%
Investment tax credit	(2,398,000)	(7.6)	(3,209,000)	(8.8)
State income taxes, net of Federal income tax benefits	829,000	2.6	948,000	2.6
Other, net	335,000	1.1	407,000	1.1
Actual tax expense	$13,316,000	42.1%	$14,913,000	40.9%

(5) Pension Plan

The Company has separate noncontributory trusteed pension plans for salaried and hourly employees. Eligible participants include all permanent full-time employees except those who participate in other qualified pension plans to which the Company must contribute. Pension plan expense was $1,991,000 in 1980 and $1,785,000 in 1979. The Company makes annual contributions to the Plans equal to the amounts accrued for pension expense. A comparison of accumulated Plan benefits and Plan net assets is presented below:

	1980	1979
Actuarial present value of accumulated Plan benefits as of January 1:		
Vested	$13,903,000	$12,216,000
Nonvested	3,125,000	2,592,000
	$17,028,000	$14,808,000
Net assets available for benefits	$11,288,000	$ 8,901,000

Additional information required by Financial Accounting Standards No. 36, Disclosure of Pension Information, relating to the salaried and hourly employees' plans and to various multiemployer plans to which the Company contributes, is not currently available.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(5) Pension Plan, Continued

The Company has an Employee Stock Ownership Plan which was established in 1979 retroactive to January 1, 1978. The Company determines the class of employees who shall participate in the Plan. The total expense was approximately $266,000 for 1980 and $270,000 for 1979, which was substantially offset by additional allowable investment tax credits.

(6) Cumulative Effect of Change in Accounting for Compensated Absences

In 1980 the Financial Accounting Standards Board issued Financial Accounting Standard No. 43, Accounting for Compensated Absences. As a result, the Company changed its policy regarding accrual for compensation for future absences, primarily earned vacations, for all eligible salaried and non-union hourly personnel. The effect of this change was a charge to earnings of $1,954,500 as of January 1, 1980, with a related income tax benefit of $900,000 and an increase in salaries and wages of approximately $264,000 in the current year.

(7) Commitments and Contingencies

The Company occupies certain terminal facilities and uses certain equipment under lease arrangements. Rent expense under such leases amounted to approximately $3,644,000 and $3,288,000 in 1980 and 1979, respectively.

Future minimum rental payments required under non-cancellable operating leases on terminal facilities and equipment with terms in excess of one year are payable as follows:

Year	Terminals	Equipment	Total
1981	$2,326,000	$ 438,000	$2,764,000
1982	1,722,000	80,000	1,802,000
1983	1,154,000	6,000	1,160,000
1984	737,000	5,000	742,000
1985	297,000	-	297,000
Later Years	744,000	-	744,000
	$6,980,000	$ 529,000	$7,509,000

At December 27, 1980, the Company had outstanding commitments for capital expenditures (principally equipment) of approximately $17,700,000.

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
SUITE 2700 INDEPENDENT SQUARE
ONE INDEPENDENT DRIVE
JACKSONVILLE, FLORIDA 32202

The Board of Directors
Ryder Truck Lines, Inc.:

We have examined the consolidated balance sheets of Ryder Truck Lines, Inc. and subsidiaries as of December 29, 1979 and December 30, 1978, and the related consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Ryder Truck Lines, Inc. and subsidiaries at December 29, 1979 and December 30, 1978, and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick, Mitchell + Co.

January 31, 1980

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 29, 1979 and December 30, 1978

Assets	1979	1978
Current assets:		
Cash (note 2)	$ 9,591,896	$ 6,455,138
Trade accounts and notes receivable, less allowance for doubtful receivables of $1,482,000 in 1979 and $1,315,000 in 1978	43,882,796	35,453,497
Receivable from affiliates	1,703,960	268,557
Inventories of fuel, parts and supplies, at average cost (not in excess of market)	2,777,575	1,930,315
Prepaid expenses:		
Income taxes (note 3)	1,290,000	829,000
Tires in service	9,506,659	8,723,591
Other	3,240,409	2,860,333
Total prepaid expenses	14,037,068	12,412,924
Total current assets	71,993,295	56,520,431
Investments:		
Investment in unconsolidated subsidiary	419,738	-
Noncurrent portion of notes receivable	381,046	134,661
Other investments, at cost	394,963	426,991
Total investments	1,195,747	561,652
Property and equipment, at cost (note 2):		
Land	6,603,564	5,591,244
Buildings	30,848,664	25,996,627
Revenue equipment	130,251,188	107,357,218
Other equipment	8,377,793	8,178,750
Leasehold improvements	2,644,168	1,960,047
	178,725,377	149,083,886
Less - Accumulated depreciation and amortization	72,046,746	64,060,571
Net property and equipment	106,678,631	85,023,315
Intangibles and other assets:		
Excess of cost over net assets of companies acquired, net	8,914,180	8,944,757
Operating rights and franchises, net	11,548,301	10,199,306
Other (note 5)	779,205	321,330
Total intangibles and other assets	21,241,686	19,465,393
	$201,109,359	$161,570,791

Liabilities and Stockholder's Equity	1979	1978
Current liabilities:		
Current maturities of long-term debt (note 2)	$ 527,838	$ 525,553
Accounts payable	15,422,437	11,621,009
Accrued expenses:		
Salaries, wages and other compensation	17,719,024	15,493,664
Taxes (other than income taxes) accrued or withheld	5,908,815	3,313,353
Self-insured claims	11,389,497	9,115,645
Other	4,861,645	2,924,605
Total accrued expenses	39,878,981	30,913,285
Income taxes (note 3)	2,775,118	11,613,108
Total current liabilities	58,604,374	54,673,055
Long-term debt (note 2)	60,575,662	39,551,225
Other noncurrent liabilities:		
Deferred income taxes (note 3)	6,466,000	3,552,000
Deferred compensation	1,988,715	2,380,537
Self-insured claims and other liabilities	5,108,000	4,701,000
Total other noncurrent liabilities	13,562,715	10,653,537
Stockholder's equity:		
Common stock of $100 par value. Authorized 100 shares; issued 97 shares	9,700	9,700
Additional paid-in capital	5,568,773	5,565,773
Retained earnings (note 2)	62,788,135	51,107,500
Total stockholder's equity	68,366,608	56,682,973
Commitments and contingencies (notes 4 and 5)		
	$201,109,359	$161,570,791

See accompanying notes.

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
SUITE 2700 INDEPENDENT SQUARE
ONE INDEPENDENT DRIVE
JACKSONVILLE, FLORIDA 32202

The Board of Directors
Ryder Truck Lines, Inc.:

We have examined the consolidated balance sheet of Ryder Truck Lines, Inc. and subsidiaries as of December 29, 1979, and the related consolidated statements of earnings and retained earnings, and changes in financial position for the year then ended, and have issued our report thereon dated January 31, 1980. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our examination, nothing came to our attention that caused us to believe that the Company was in default of any of the terms, covenants, provisions, or conditions of: Section 7 of the note agreement between Ryder Truck Lines, Inc. and the Prudential Insurance Company of America, dated June 13, 1977, as amended on July 26, 1979, Article 5 of the loan agreement between Ryder Truck Lines, Inc. and PruFunding, Inc. dated December 18, 1979; or was in default or in such a circumstance which upon a lapse of time or notice or both would become in default of any of the terms, covenants, provisions, or conditions of Section 8 of the credit agreement between Ryder Truck Lines, Inc. and Chemical Bank, as agent, dated September 21, 1972, as amended and restated July 27, 1979. However, it should be noted that our examination was not directed primarily toward obtaining knowledge of such defaults.

Peat, Marwick, Mitchell & Co.

January 31, 1980

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings and Retained Earnings

Years ended December 29, 1979 and December 30, 1978

	1979	1978
Operating revenue	$ 543,059,066	$ 449,088,247
Operating expenses:		
Salaries, wages and benefits	271,146,256	232,013,998
Operating supplies and expenses	76,583,479	59,922,316
Equipment rent and purchased transportation	110,473,240	78,557,266
Depreciation and amortization	18,779,261	16,351,302
Operating taxes and licenses	11,805,708	10,667,674
Insurance and claims	10,371,363	8,517,987
Communications and utilities	5,314,430	4,711,507
Total operating expenses	504,473,737	410,742,050
Operating income	38,585,329	38,346,197
Other deductions (income), net:		
Interest expense, net of interest income (including $396,000 from affiliates in 1979 and $248,000 in 1978)	4,585,227	4,467,979
Gain on sale of equipment	(2,331,575)	(1,609,487)
Other, net	(117,285)	984,349
Total other deductions (income), net	2,136,367	3,842,841
Earnings before income taxes	36,448,962	34,503,356
Provision for income taxes (note 3):		
Current	12,490,000	14,565,000
Deferred	2,423,000	899,000
	14,913,000	15,464,000
Net earnings	21,535,962	19,039,356
Retained earnings at beginning of year	51,104,500	38,552,044
	72,640,462	57,591,400
Less - Cash dividends	9,852,327	6,486,900
Retained earnings at end of year	$ 62,788,135	$ 51,104,500

See accompanying notes.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

Years ended December 29, 1979 and December 30, 1978

	1979	1978
Sources of working capital:		
Net earnings	$ 21,535,962	$ 19,039,356
Items not affecting working capital:		
Depreciation and amortization, including intangibles	19,058,641	16,598,712
Noncurrent portion of deferred income taxes	2,884,000	762,000
Deferred compensation	(391,822)	284,193
Self-insured claims and other liabilities	407,000	3,216,000
Working capital provided by operations	43,493,781	39,900,261
Proceeds from long-term debt	39,051,000	18,395,708
Proceeds from property and equipment sold, less gains of $2,332,000 in 1979 and $1,609,000 in 1978	1,918,746	2,181,974
Decrease in working capital	-	7,270,481
	$ 84,463,527	$ 67,748,424
Uses of working capital:		
Additions to property and equipment	$ 42,353,323	$ 37,083,484
Current maturities and repayment of long-term debt	18,026,563	22,488,847
Increase in operating rights and excess of cost over net assets of companies acquired	1,431,965	1,745,131
Investment in unconsolidated subsidiary	419,738	-
Increase (decrease) in other noncurrent assets	838,065	(55,938)
Cash dividends	9,852,327	6,486,900
Increase in working capital	11,541,546	-
	$ 84,463,527	$ 67,748,424
Changes in components of working capital:		
Increase in current assets:		
Cash	$ 3,136,758	$ 696,008
Receivables	9,864,702	6,076,314
Inventories	847,260	294,462
Prepaid expenses	1,624,144	1,539,214
	15,472,864	8,605,998
Increase (decrease) in current liabilities:		
Current maturities of long-term debt	2,185	(659,419)
Accounts payable	3,601,428	2,314,732
Accrued expenses	8,965,695	6,520,443
Income taxes	(8,637,990)	7,700,723
	3,931,318	15,876,479
Increase (decrease) in working capital	$ 11,541,546	$ (7,270,481)

See accompanying notes.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 29, 1979 and December 30, 1978

(1) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company (a wholly-owned subsidiary of IU Transportation Services, Inc.) and its wholly-owned subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation. Certain amounts for 1978 have been reclassified to conform with the current year's presentation.

(b) Accounting Principles

The Company is required to maintain its accounts in accordance with accounting regulations prescribed by the Interstate Commerce Commission (ICC). The Company's financial statements are presented in conformity with generally accepted accounting principles and do not differ significantly from ICC requirements.

(c) Prepaid Tires in Service

The cost of tires mounted on revenue equipment is carried as a prepaid expense and amortized based on tire usage.

(d) Depreciation

Depreciation of property and equipment is provided on the straight-line basis over the estimated useful life of the asset. Leasehold improvements are amortized on the straight-line basis over the term of the respective lease or the life of the improvement, whichever is shorter.

(e) Intangible Assets

The excess of cost over net assets of companies acquired at date of acquisition and the cost of operating rights and franchises acquired prior to November 1970 are not amortized. Subsequent acquisitions are being amortized on a straight-line basis over a period of forty years.

(f) Self-Insured Claims

The Company self-insures for \$1,000,000 per occurrence all claims involving public liability, property damage, cargo loss, equipment damage and in states where permitted, workers' compensation. Provision has been made for the estimated cost of claims filed and claims incurred, but not reported based upon the Company's experience.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies (Continued)

(f) Self-Insured Claims (Continued)

That portion of the claims liability estimated to be payable in one year has been classified as a current liability.

(g) Revenue

The Company records revenue as of the date the freight is delivered. At the end of each accounting period, revenue applicable to freight in transit, approximately equal to the related estimated operating costs incurred, is accrued.

(h) Income Taxes

The Company's operating results are included in the consolidated Federal income tax returns filed by the parent company. The parent allocates to each subsidiary the current tax liability which would have been incurred if separate returns had been filed.

Investment tax credit is taken directly into income as a reduction of Federal income tax expense in the year the related assets are placed in service.

(i) Pension Plans

The Company funds normal cost and amortization of prior service cost based on studies by independent actuaries. Prior service costs are amortized over a thirty-year period.

(2) Long-Term Debt

A summary of long-term debt follows:

	1979	1978
Indebtedness under revolving credit agreement (a)	$ 8,000,000	$ -
Notes payable (b)	36,000,000	26,000,000
Mortgage notes secured by real estate (c)	14,343,858	11,070,922
Obligations under capital leases (d)	2,578,592	2,643,856
Notes and other obligations for companies acquired (e)	181,050	362,100
Total long-term debt	61,103,500	40,076,878
Less - Current maturities of long-term debt	527,838	525,653
Long-term debt	$ 60,575,662	$ 39,551,225

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(2) Long-Term Debt (Continued)

(a) The revolving credit agreement provides for a maximum commitment, subject to certain borrowing base requirements and other restrictions, of $30,000,000 with no specified termination date; however, any participating bank may terminate its commitment upon thirteen months written notice. Advances bear interest at 105% of the prime rate and are unsecured. Upon the occurrence of an event of default or at the request of participating banks, advances may become secured by mortgages on equipment and unencumbered real estate. The agreement imposes certain restrictions on the financial activities of the Company including a limitation on dividends. Retained earnings available for dividends were approximately $10,902,000 at December 29, 1979.

The Company has informal arrangements with the participating banks to maintain compensating balances equal to 7% of each bank's total commitment.

(b) Notes payable are unsecured and placed with The Prudential Insurance Company of America or its affiliates. Two notes totaling $26,000,000 bear interest at 9.6%, and mature in June 1992 with annual installments of $2,100,000 beginning in 1981. An additional note in the amount of $10,000,000 bears interest at an increasing rate of 102% to 108% of prime and matures in December 1986 with quarterly installments of $625,000 beginning in March 1983. The note agreements impose certain restrictions on the financial activities of the Company which are similar to those imposed by the revolving credit agreement.

(c) The mortgage notes, secured by property with a book value of $16,111,000, mature at various dates through 2001 and bear interest at rates of 6% to 10-3/8%.

(d) Total payments under capital leases for terminal facilities aggregate $5,151,274, and are due in varying monthly installments through 2000.

(e) The notes and other obligations for companies acquired mature in 1980 and bear interest at 7%.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(3) Income Taxes

Components of income tax expense are as follows:

	Current	Deferred	Total
1979:			
Federal	$ 10,734,000	$ 2,423,000	$ 13,157,000
State	1,756,000	-	1,756,000
Total	$ 12,490,000	$ 2,423,000	$ 14,913,000
1978:			
Federal	$ 12,512,000	$ 899,000	$ 13,411,000
State	2,053,000	-	2,053,000
Total	$ 14,565,000	$ 899,000	$ 15,464,000

Deferred income tax expense resulted from the following timing differences in the recognition of revenue and expense for tax and financial statement purposes:

	1979	1978
Tax effect of expenses per financial statements (over) under tax return:		
Depreciation	$ 1,997,000	$ 1,271,000
Deferred compensation	71,000	(167,000)
Regulatory expenses capitalized for tax purposes	(167,000)	(78,000)
Provision for self-insured claims and other liabilities	(670,000)	(1,164,000)
Other, net	(82,000)	(48,000)
Net gain on sale of property and equipment recognized for financial statements over the amounts recognized on the tax return	1,274,000	1,085,000
	$ 2,423,000	$ 899,000

The actual tax expense differs from the "expected" tax expense (computed by applying the U. S. Federal corporate tax rate to earnings before income taxes) as follows:

	1979		1978	
	Amount	Percent of pretax income	Amount	Percent of pretax income
Expected tax expense	$16,767,000	46.0%	$16,562,000	48.0%
Investment tax credit	(3,209,000)	(8.8)	(2,469,000)	(7.2)
State income taxes, net of Federal income tax benefit	948,000	2.6	1,068,000	3.1
Other, net	407,000	1.1	303,000	.9
Actual tax expense	$14,913,000	40.9%	$15,464,000	44.8%

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(4) Pension Plans

The Company has separate noncontributory trusteed pension plans for salaried and hourly employees. Eligible participants include all permanent full-time employees except those who participate in other qualified pension plans to which the Company must contribute. Pension plan expense was $1,785,000 in 1979 and $1,553,000 in 1978. The actuarially computed present value of vested benefits under the plans exceeded pension fund assets by approximately $3,625,000 at January 1, 1979, the date of the latest actuarial valuation.

(5) Commitments and Contingencies

The Company occupies certain terminal facilities and uses certain equipment under lease arrangements. Rent expense under such leases amounted to approximately $3,288,000 and $2,672,000 in 1979 and 1978, respectively.

Future minimum rental payments required under non-cancellable operating leases on terminal facilities and equipment with terms in excess of one year are payable as follows:

Year	Terminals	Equipment	Total
1980	$ 2,324,000	$ 708,000	$ 3,032,000
1981	1,784,000	381,000	2,165,000
1982	1,221,000	37,000	1,258,000
1983	824,000	6,000	830,000
1984	430,000	5,000	435,000
Later Years	943,000	-	943,000
	$ 7,526,000	$ 1,137,000	$ 8,663,000

At December 29, 1979, the Company had outstanding commitments for capital expenditures (principally equipment) of $30,100,000.

The Company has entered into agreements to purchase various operating rights for $4,310,000 pending regulatory approval. Of this amount, $476,000 has been advanced toward the purchase commitments and is included in the accompanying 1979 consolidated balance sheet. The Company expects to consummate these acquisitions within the next year.

The Company has been named in several class action suits by individuals alleging violations of Federal civil rights legislation. It is impossible to determine the probable ultimate liability, if any, on these suits, but it is management's opinion that any adverse determination will not be material to the Company's consolidated financial position.

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
SUITE 2700 INDEPENDENT SQUARE
ONE INDEPENDENT DRIVE
JACKSONVILLE, FLORIDA 32202

The Board of Directors
Ryder Truck Lines, Inc.:

We have examined the consolidated balance sheets of Ryder Truck Lines, Inc. (a wholly-owned subsidiary of IU Transportation Services, Inc.) and subsidiaries as of December 30, 1978 and December 31, 1977, and the related consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Ryder Truck Lines, Inc. and subsidiaries at December 30, 1978 and December 31, 1977, and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick, Mitchell & Co.

January 29, 1979

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 30, 1978 and December 31, 1977

Assets	1978	1977
Current assets:		
Cash (note 2)	$ 6,455,138	$ 5,759,130
Trade accounts and notes receivable, less allowance for doubtful receivables of $1,315,000 in 1978 and $863,000 in 1977	35,722,054	29,645,740
Inventories of fuel, parts and supplies, at average cost (not in excess of market)	1,930,315	1,635,853
Prepaid expenses:		
Income taxes	829,000	756,000
Tires in service	8,723,591	7,973,676
Other	2,860,333	2,144,034
Total prepaid expenses	12,412,924	10,873,710
Total current assets	56,520,431	47,914,433
Investments:		
Noncurrent portion of notes receivable	134,661	146,238
Other investments, at cost	426,991	486,974
Total investments	561,652	633,212
Property and equipment, at cost (note 2):		
Land	5,591,244	6,004,009
Buildings	25,996,627	19,163,276
Revenue equipment	107,357,218	88,471,757
Other equipment	8,178,750	6,872,267
Leasehold improvements	1,960,047	1,912,359
	149,083,886	122,423,668
Less - Accumulated depreciation and amortization	64,060,571	55,953,729
Net property and equipment	85,023,315	66,469,939
Intangibles and other assets:		
Excess of cost over net assets of companies acquired, net	8,944,757	8,784,325
Operating rights and franchises, net	10,199,306	8,359,503
Deferred charges	321,330	811,390
Total intangibles and other assets	19,465,393	17,955,218
	$ 161,570,791	$ 132,972,802

Liabilities and Stockholder's Equity	1978	1977
Current liabilities:		
Current maturities of long-term debt (note 2)	$ 525,653	$ 1,185,072
Accounts payable	11,821,009	9,506,277
Accrued expenses:		
Salaries, wages and other compensation	15,493,664	11,497,027
Taxes (other than income taxes) accrued or withheld	3,318,369	2,923,234
Self-insured claims	9,116,648	6,628,811
Other	2,984,605	3,343,771
Total accrued expenses	30,913,286	24,392,843
Income taxes (note 3)	11,413,108	3,712,385
Total current liabilities	54,673,056	38,796,577
Long-term debt (note 2)	39,551,225	43,644,364
Other noncurrent liabilities:		
Deferred income taxes (note 3)	3,582,000	2,820,000
Deferred compensation	2,380,537	2,096,344
Self-insured claims and other liabilities	4,701,000	1,485,000
Total other noncurrent liabilities	10,663,537	6,401,344
Stockholder's equity:		
Common stock of $100 par value. Authorized 100 shares; issued 97 shares	9,700	9,700
Additional paid-in capital	5,568,773	5,568,773
Retained earnings (note 2)	51,104,500	38,552,044
Total stockholder's equity	56,682,973	44,130,517
Commitments and contingencies (notes 4 and 5)		
	$ 161,570,791	$ 132,972,802

See accompanying notes.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings and Retained Earnings

Years ended December 30, 1978 and December 31, 1977

	1978	1977
Operating revenue	$ 460,567,487	$ 352,572,220
Operating expenses:		
Salaries, wages and benefits	232,044,358	186,453,506
Operating supplies and expenses	60,676,684	49,119,101
Equipment rent and purchased transportation	89,257,272	57,730,256
Depreciation and amortization	16,351,302	13,171,551
Operating taxes and licenses	10,667,674	9,320,458
Insurance and claims	8,507,865	6,190,828
Communications and utilities	4,711,507	4,039,029
Total operating expenses	422,216,662	326,024,729
Operating income	38,350,825	26,547,491
Other deductions (income), net:		
Interest expense, net of interest income (including $248,000 from affiliates in 1978 and $126,000 in 1977)	4,467,979	3,554,994
Gain on sale of equipment	(1,609,487)	(115,987)
Other, net	988,977	250,042
Total other deductions (income), net	3,847,469	3,689,049
Earnings before income taxes	34,503,356	22,858,442
Provision for income taxes (note 3):		
Current	14,565,000	10,143,000
Deferred	899,000	(226,000)
	15,464,000	9,917,000
Net earnings	19,039,356	12,941,442
Retained earnings at beginning of year	38,552,044	30,139,110
	57,591,400	43,080,552
Less - Cash dividends	6,486,900	4,528,508
Retained earnings at end of year	$ 51,104,500	$ 38,552,044

See accompanying notes.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

Years ended December 30, 1978 and December 31, 1977

	1978	1977
Sources of working capital:		
Net earnings	$ 19,039,356	$ 12,941,442
Items not affecting working capital:		
Depreciation and amortization	16,598,712	13,363,499
Noncurrent portion of deferred income taxes	762,000	(382,000)
Deferred compensation	284,193	708,243
Self-insured claims and other liabilities	3,216,000	380,000
Working capital provided by operations	39,900,261	27,011,184
Proceeds from long-term debt	18,395,708	38,143,150
Proceeds from property and equipment sold, less gains of $1,609,000 in 1978 and $116,000 in 1977	2,181,974	588,394
Decrease in working capital	7,270,481	-
	$ 67,748,424	$ 65,742,728
Uses of working capital:		
Additions to property and equipment	$ 37,083,484	$ 28,475,171
Current maturities and repayment of long-term debt	22,488,847	26,788,759
Increase in operating rights and excess of cost over net assets of companies acquired	1,745,131	893,886
Increase (decrease) in other noncurrent assets	(55,938)	194,558
Cash dividends	6,486,900	4,528,508
Increase in working capital	-	4,861,846
	$ 67,748,424	$ 65,742,728
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	$ 696,008	$ (145,891)
Receivables	6,076,314	8,993,776
Inventories	294,462	464,185
Prepaid expenses	1,539,214	3,417,331
	8,605,998	12,729,401
Increase (decrease) in current liabilities:		
Current maturities of long-term debt	(659,419)	(11,971)
Accounts payable	2,314,732	3,479,459
Accrued expenses	6,520,443	5,096,123
Income taxes	7,700,723	(696,056)
	15,876,479	7,867,555
Increase (decrease) in working capital	$ (7,270,481)	$ 4,861,846

See accompanying notes.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 30, 1978 and December 31, 1977

(1) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company (a subsidiary of IU Transportation Services, Inc.) which operates as an interstate motor carrier regulated by the Interstate Commerce Commission (ICC) and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts for 1977 have been reclassified to conform with the current year's presentation.

(b) Accounting Principles

The Company is required to maintain its accounts in accordance with accounting regulations prescribed by the ICC. The Company's financial statements are presented in conformity with generally accepted accounting principles and do not differ significantly from ICC requirements. Principal differences are the provision for line tractor overhauls, the amortization of intangibles and certain classification changes.

(c) Prepaid Tires in Service

The cost of tires mounted on revenue equipment is carried as a prepaid expense and amortized based on tire usage.

(d) Depreciation

Depreciation of property and equipment is provided on the straight-line basis over the estimated useful life of the asset. Leasehold improvements are amortized on the straight-line basis over the term of the respective lease or the life of the improvement, whichever is shorter.

(e) Leases

In accordance with the requirements of Financial Accounting Standard No. 13, "Accounting for Leases" the Company has recorded all capital leases in the accompanying 1978 financial statements.

(f) Intangible Assets

The excess of cost over net assets of companies acquired at date of acquisition and the cost of operating rights and franchises acquired prior to November 1970 are not amortized. Excess cost and cost of

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies (Continued)

(f) Intangible Assets (Continued)

operating rights and franchises acquired after October 1970 are amortized on the straight-line basis over a period of forty years.

(g) Self-Insured Claims

The Company self-insures up to $750,000 per occurrence for all claims involving public liability, property damage, cargo loss, equipment damage and in states where permitted, workers' compensation. Provision has been made for the estimated cost of claims filed and claims incurred, but not reported based upon the Company's experience. That portion of the claims liability estimated to be payable in one year has been classified as a current liability.

(h) Revenue

The Company records revenue as of the date the freight is delivered. At the end of each accounting period, revenue applicable to freight in transit, approximately equal to the related estimated operating costs incurred, is accrued.

(i) Income Taxes

The Company's operating results are included in the consolidated Federal income tax return filed by the parent company. The parent allocates to each subsidiary the current tax liability which would have been incurred if separate returns had been filed.

Investment tax credit is taken directly into income as a reduction of Federal income tax expense in the year the related assets are placed in service.

(j) Pension Plans

The Company funds normal cost and amortization of prior service cost based on studies by independent actuaries. Prior service costs are amortized over a thirty-year period.

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(2) Long-Term Debt

A summary of long-term debt follows:

	1978	1977
Indebtedness under revolving credit agreement (a)	$ --	$ 6,500,000
Notes payable (b)	26,000,000	26,000,000
Mortgage notes secured by real estate (c)	11,070,922	11,758,566
Obligations under capital leases (d)	2,643,856	--
Notes and other obligations for companies acquired (e)	362,100	570,870
Total long-term debt	40,076,878	44,829,436
Less - Current maturities of long-term debt	525,653	1,185,072
Long-term debt	$ 39,551,225	$ 43,644,364

(a) The revolving credit agreement provides for a maximum commitment, subject to certain "borrowing base" and other restrictions, of $28,000,000 with no specified termination date; however, any participating bank may terminate its commitment upon six months written notice. Advances bear interest at 1/4 of 1% above the prime rate and are unsecured. Upon the occurrence of an event of default or at the request of participating banks, advances may become secured by mortgages on equipment and unencumbered real estate. The agreement imposes certain restrictions on the financial activities of the Company including a limitation on dividends. Retained earnings available for dividends were approximately $9,852,000 at December 30, 1978.

The Company has informal arrangements with the participating banks to maintain compensating balances equal to 15% of each bank's total commitment.

(b) The notes payable are unsecured, bear interest at a rate of 9.6%, and mature in June 1992 with annual installments of $2,100,000 beginning in 1981. The note agreements impose certain restrictions on the financial activities of the Company which are similar to those imposed by the revolving credit agreement described above.

(c) The mortgage notes, secured by property with a book value of $11,002,000, mature at various dates through 2001 and bear interest at rates of 6% to 10-3/8%.

(2) Long-Term Debt (Continued)

(d) Total payments under capital leases for terminal facilities aggregate $5,446,000, and are due in varying monthly installments through 2000.

(e) The notes and other obligations for companies acquired mature at various dates through 1980 and bear interest at 7%.

(3) Income Taxes

Components of income tax expense are as follows:

	Current	Deferred	Total
1978:			
Federal	$ 12,512,000	$ 899,000	$ 13,411,000
State	2,053,000	--	2,053,000
Total	$ 14,565,000	$ 899,000	$ 15,464,000
1977:			
Federal	$ 8,888,000	$ (226,000)	$ 8,662,000
State	1,255,000	--	1,255,000
Total	$ 10,143,000	$ (226,000)	$ 9,917,000

Deferred income tax expense resulted from the following timing differences in the recognition of revenue and expense for tax and financial statement purposes:

	1978	1977
Tax effect of expenses per financial statements (over) under tax return:		
Depreciation	$ 1,271,000	$ 150,000
Deferred compensation	(167,000)	(322,000)
Bad debt expense	(85,000)	(115,000)
Regulatory expenses capitalized for tax purposes	(78,000)	(123,000)
Provision for self-insured claims and other liabilities	(1,164,000)	110,000
Other, net	37,000	23,000
Net gain on sales of property and equipment recognized for financial statements over the amounts recognized on tax return	1,085,000	51,000
	$ 899,000	$ (226,000)

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(3) Income Taxes (Continued)

The actual tax expense differs from the "expected" tax expense (computed by applying the U. S. Federal corporate tax rate of 48% to earnings before income taxes) as follows:

	1978		1977	
	Amount	Percent of pretax income	Amount	Percent of pretax income
Expected tax expense	$ 16,562,000	48.0%	$ 10,972,000	48.0%
Investment tax credit	(2,469,000)	(7.2)	(1,869,000)	(8.2)
State income taxes, net of Federal income tax benefit	1,068,000	3.1	653,000	2.9
Other, net	303,000	.9	161,000	.7
Actual tax expense	$ 15,464,000	44.8%	$ 9,917,000	43.4%

(4) Pension Plans

The Company has separate noncontributory trusteed pension plans for salaried and hourly employees. Eligible participants include all permanent full-time employees except those who participate in other qualified pension plans to which the Company must contribute. Pension plan expense was $1,553,000 in 1978 and $1,259,000 in 1977. The actuarially computed present value of vested benefits under the plans exceeded pension fund assets by approximately $4,016,000 at January 1, 1978, the date of the latest actuarial valuation.

(5) Commitments and Contingencies

The Company occupies certain terminal facilities and uses certain equipment under lease arrangements. Rent expense under such leases amounted to approximately $2,672,000 and $2,591,000 in 1978 and 1977, respectively.

Future minimum rental payments required under non-cancellable operating leases on terminal facilities and equipment whose terms are in excess of one year are payable as follows:

RYDER TRUCK LINES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements, Continued

(5) Commitments and Contingencies (Continued)

Year	Terminal facilities	Equipment	Total commitment
1979	$ 1,814,000	$ 655,000	$ 2,469,000
1980	1,406,000	407,000	1,813,000
1981	1,010,000	149,000	1,159,000
1982	755,000	2,000	757,000
1983	502,000	2,000	504,000
Later Years	886,000	--	886,000
	$ 6,373,000	$ 1,215,000	$ 7,588,000

At December 30, 1978, the Company had outstanding commitments for capital expenditures (principally equipment) of $25,777,000.

The Company has been named in several class action suits by individuals alleging violations of Federal civil rights legislation. It is impossible to determine the probable ultimate liability, if any, on these suits, but it is management's opinion that any adverse determination will not be material to the Company's consolidated financial position.

Admn. Appr. ____________

DIGEST SHEET

3-

Z-81-08-22

TITLE OF ORDINANCE Zoning Ordinance Amendment

DEPARTMENT REQUESTING ORDINANCE Long Range Planning & Zoning - CD&P

SYNOPSIS OF ORDINANCE Lots Numbered 325, 326, 327, 328, 329, 330 Waynedale Gardens 2nd Addition.

EFFECT OF PASSAGE Property is now zoned R-1 - Single Family Residential. Property will become M-1 - Light Industrial.

EFFECT OF NON-PASSAGE Property will remain zoned R-1 - Single Family Residential.

MONEY INVOLVED (Direct Costs, Expenditures, Savings) ____________

ASSIGNED TO COMMITTEE (J.N.) ____________

THE CITY OF FORT WAYNE

CITY-COUNTY BUILDING • ONE MAIN STREET • FORT WAYNE, INDIANA 46802

city plan commission

24 November 1981

Members of the Common Council
City-County Building
One Main Street
Fort Wayne, IN 46802

Gentlemen and Mrs. Schmidt:

Attached hereto is a resolution pertaining to a zoning ordinance amendment acted upon by the City Plan Commission at their meeting held November 23, 1981. In addition to the reasons outlined in the resolution, the following are additional remarks pertaining to the ordinance:

1. Bill No. Z-81-08-22

2. From: R-1 to M-1

3. Intended Use: mini-warehouse/office complex

4. Plan Commission Recommendation: DO PASS as PERFECTED

   PERFECTION: Perfect request from R-1 to R-3

   This ordinance received a DO PAS recommendation for the following reason:

   REASON: This rezoning will permit uses that are compatible with those of the surrounding neighborhood.

If there are any questions with regard to this ordinance, please feel free to call on us.

Respectfully submitted,

COMMUNITY DEVELOPMENT & PLANNING

Gary F. Baeten pb

Gary F. Baeten
Senior Planner

GFB:pb